DOCUMENT RESUME

ED 350 988 IR 015 799

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TITLE Using PC Software To Enhance the Student's Ability To Learn the Exporting Process.
PUB DATE 91
NOTE 12p.; Paper presented at the Eastern Michigan University Conference on Languages and Communication for World Business and the Professions (Ypsilanti, MI, April 3-5, 1991).
PUB TYPE Book/Product Reviews (072) -- Reports - Descriptive (141) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Business Administration Education; Computer Assisted Instruction; *Computer Simulation; Decision Making Skills; Exports; Global Approach; Higher Education; *International Trade; Management Development; Marketing; Microcomputers; *Professional Training; Seminars
IDENTIFIERS *Export to Win

ABSTRACT

This paper describes the advantages of using computer simulations in the classroom or managerial environment and the major premise and principal components of Export to Win!, a computer simulation used in international marketing seminars. A rationale for using computer simulations argues that they improve the quality of teaching by building decision making skills; foster interpersonal communication; compress time; focus on learning; enhance student/instructor interaction; and integrate learning. A description of Export to Win! begins by presenting the three main objectives of the simulation, which operates on a 5-year time frame: (1) exporting makes good business sense; (2) researching and developing an international marketing plan is important; and (3) discovering proper export management will permit global marketing. Operational dimensions of the program are then explained: Memo--prompts action; Decision Panel--offers further information and asks players to make choices; Information Screen--presents factual and relevant material; Business Brief--presents a current anecdote; Decision--player must act; and Results of Decision--immediate and cumulative feedback. Table I provides the topics covered by World Atlas, a software package that can be used in conjunction with Export to Win!, and addresses are given for the publishers of the two products described. (Contains 3 references.) (ALF)

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Using PC Software to Enhance the Student's Ability to Learn the Exporting Process

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INTRODUCTION

The lifeblood of many U.S. companies are derived from the sales and profits earned from international markets. Among the high-growth members of the American Business Conference, foreign sales grew at a 20% annual rate from 1981 to 1986 -- five times faster than their U.S. sales (Kirkland 1988). In addition, there has been an increasing awareness of the growing international opportunities among U.S. companies. In particular, as American markets become saturated, even those American companies without any previous international experience begin to look to foreign markets.

Recent economic and political developments have produced new opportunities for exporting to regions that previously were closed markets. And as the world changes, so does world trade. Although the world map has been altered, the nature of exporting remains as it was - a subject of vital importance to students of international commerce.

However, with the increasing sophistication of today's international commerce, simply opening up a shop overseas, or hiring a foreign national to "take care of business" is not as simple as it may once had been. An important question that arises is how might a company with limited resources (time, money, and/or personnel) survive profitably in the short-run, much less in the long-run.

One response to this question is the use of computer simulations. In particular, we have begun to experiment with the computer simulation *Export to Win!* in international marketing seminars. The purpose of this paper is to discuss the major premise of *Export to Win!* and its principal components. However, before discussing the simulation itself, a short explanation concerning the power and usefulness of computer simulations might be useful.

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WHY USE SIMULATIONS?

Computer simulations permit students to develop decision-making skills based on role-playing in real-world conditions with data from existing resources. They let the user try out new ideas in a "safe" environment where mistakes can be made and different approaches to solving the problem are encouraged. This method helps students gain confidence in their own judgement.

The choice of computer simulations as a learning tool is founded on the assumption that people learn the most and retain learning the longest by finding their own solutions to problems. Simulations are a mix of exploration, experimentation, pattern recognition, as well as the tedious process of trial and error. Researchers in the field of educational development have shown that concrete examples promote learning more effectively than abstract concepts (Adams 1973; Maidment and Bronstein 1973)

A variety of learner styles are recognized and supported by computer simulations. For example, they allow the self-motivated learner to move independently through the program while giving the instructor a basis for evaluating that individual's progress. Likewise, they inspire the timid learner to try the unusual by providing a carefully-designed learning structure that gives constant and positive reinforcement for the person's decisions. In addition, computer simulations provide activity for people who increasingly demand visual stimulation as they learn.

As a result, the quality of teaching is improved overall. In addition, the simulation allows the professor to become a more productive instructor in the areas of decision-making, interpersonal communication, time usage, student/ instructor interaction, and integration. Each is highlighted below.

Build Decision-Making Skills

Students get a vantage point from which to witness how an "expert" would approach the given problem and learn how decisions are made, since the simulation is "in charge" of corrections. This allows the instructor to become an impartial consultant, offering valuable guidance.

Interpersonal Communication is Fostered

When working together in teams, people strive toward a common goal. As they work together to solve the problems presented by the simulation, they develop important and valuable group dynamic skills. By

encouraging the sharing of successful strategies among the teams (players), the instructor can foster person-to-person communication.

Time is Compressed

The nature of a simulation generally allows it to be condensed or expanded to fit the amount of time available. Thus, the years of planning and action that make up a real-world event can be condensed into a manageable few hours or weeks. Students can make immediate decisions, structure the exercise on a fiscal-year basis, and try out long-range planning strategies all within the same simulation program, in a manner of a few dys or weeks

Learning is Focused

Rather than only the presentation of general and theoretical concepts in a lecture format, these same concepts can also be presented as specific real-life issues, illustrating the connection between the classroom and the actual workplace. Many students are better able to grasp difficult concepts and theories once they have applied them in a "real-world" situation. Yet the mistakes that are made in the computer simulation are experienced and learnt from in a much less risky environment.

Enhanced Student/Instructor Interaction

Since the simulation program presents the material, the instructor's time can be devoted to sharing information instead of merely lecturing. For example, articles and/or information which may specifically relate to the simulation scenario can be imparted as anecdotal data. Thus, the level of student/instructor interaction is increased when the instructor becomes a resource beyond the lecture mode.

Learning Integration

Finally, computer simulations integrate the learning process, taking the student through the entire problem-solving paradigm from idea generation, information search and retrieval, analysis, trial and error, feedback, and synthesis, to the creation of multiple options and resolutions for the given problem. This procedure incorporates instructor input, classroom traditions, active researching, resource support, risk taking and decision making, and positive reinforcement. In doing so, the goal of training individuals who can both comprehend the subject matter and apply it to a concrete problem is more likely to be achieved.

EXPORT TO WIN!: THE SIMULATION

This section provides a general picture of the computer simulation *Export to Win!*, its learning objectives, how the program works, and the basic topics covered.

A student version of *Export to Win!* for classroom use is available through Southwestern Publishing, while the regular version is available from Strategic Management Group, Inc. (However, the student version will not be available for classroom adoption until Fall 1991.) Essentially, *Export To Win!* is an instructional business program designed to help the individual understand the exporting process better. It promises to be not only an excellent classroom resource, but a management training tool as well.

The scenario makes the player(s) the marketing manager (or team) of Xebec, an industrial manufacturer, who must develop a plan to export Xebec's products. In analyzing target markets, putting together an effective distribution network, and negotiating international pricing, the goal is to turn the company into a savvy global competitor. Dozens of decisions are made over a five year period, with an ongoing performance review. In addition, the player(s) receive strategy suggestions and decision-aiding information, and are directed to further resources for export planning.

The results of your actions are driven home graphically, as your choices are reflected in rising or falling income coprorate earnings statements of Xebec and its four competitors. The task, naturally, is that Xebec is depending on the player(s) to export ... and to be the winner after a five year period.

LEARNING OBJECTIVES

There are three major learning objectives in *Export to Win!* These are:

• Exporting makes good business sense., since a company with an export focus can increase sales and profits, and can compete better domestically.

• The importance of research and developing an international marketing plan is shown via locating and selecting appropriate markets, creating a distribution network, and arranging the financing to get started, which can make the difference between success and failure.

• Discovering how proper export management will permit global marketing by better allocating the mix of promotion and pricing, along with the adaptation and expansion of a company's product lines, which in turn will allow a company to market internationally.

OPERATIONAL DIMENSIONS OF THE PROGRAM

Export To Win! uses a decision matrix that allows the player to move through the simulation program's event clusters by making a series of choices: responding to requests from management, seeking further information, drawing inferences from parallel business scenarios, and selecting an appropriate strategy to solve the problem.

The event clusters are present on the screen for each simulation year. The process follows the pattern below.

Memo

• Addressed to player(s) and prompts action

The action in the program is initiated by memos . They suggest the next set of issues the player(s) will need to address. For example, the first memo is from the CEO of Xebec. This sets the stage for the actions in Year One. The CEO has just returned from a business conference where the focus was on exporting. As marketing manager (team), you are asked to take charge of the company's international efforts. The CEO asks for decisions on the resources and time required to do the job. To get you started, he presents some materials and trade show information from the conference.

Decision Panel

• Asks player(s) to make choice and offers further information

At each stage in the simulation, the player(s) is faced with specific choices that focus the process of learning, following the steps that an experienced export marketing manager would take in approaching the problem.

Information Screen

- Factual and relevant material

If you choose to explore this option, the program offers a data bank of specific information on the topic to help you make the best business decision in your role as marketing manager (team). Access to the information base of the program is readily available , underlining the need to develop strong research and information-gathering skills.

Business Brief

- Current anecdote

Wherever possible, actual case history illustrations are given of how and how not to solve the particular problems presented in the simulation. The player(s) learns through the examples of other businesses who have had similar decisions to make.

Decision

- Player must act

One of the key design elements of *Export To Win!* is the integral *decision-making* structure. The player(s) is required to reach the best conclusion possible given the problem set and the information available. The simulation encourages active thinking and decision making.

Results of Decision

- Immediate feedback and cumulative feedback at end of year

All decisions are followed by reinforcing feedback to encourage the individual to evaluate the choices s/he has made. This process supports the trial and error learning style of independent learners and helps the person to develop confidence in his or her ability to make informed judgements. As decisions are made within the individual event clusters, options are offered to the player(s) to pursue other choices or gather more information. Cumulative feedback at the end of each simulation year presents a summary

review with both financial data and written feedback from Xebec staff. The company reports include the Corporate Earnings Report and a five-year summary of Xebec's performance.

DESRCIPTION AND GOALS OF THE FIVE YEAR TIME FRAME

Export to Win! operates on a five-year time frame. Each year has a specific orientation with associated sub-goals. Each is presented briefly below.

Year One: Getting Started

The First Year enables the player to become familiar Xebec by providing background information, as well as data to evaluate the competition. It also presents the competitive advantages of exporting and importance of networking, and how to approach exporting with Xebec's current situation in mind. Finally, one learns about the different types of trade shows and how each impacts Xebec, and you have to decide whether to exhibit or simply attend a trade show.

Year Two: Internal Support

Year Two concentrates on building the internal support structure that Xebec will need to succeed. In particular, you compare various methods of pricing and exporting costs and investigate the requirements, regulations and constraints in different countries. You also evaluate potential methods of financing Xebec's export venture, and the associated costs & risks involved, as well as the resources available. In addition, how to get goods overseas and the advantages of a freight forwarder are examined, as well as the importance of insurance and identifying which is best for Xebec's needs. This is accomplished by utilizing spreasdsheet analysis, and requiring a certain degree of sophistication.

Year Three: Growing Your Department

The Third Year consists primarily of getting your department off the ground and running. Specifically, you develop criteria to hire an export manager for the internal export department, and you begin to look at *Export to Win!* the marketing aspects of the operation. For example, strategies for gathering statistics for products, competitors and markets are developed, you learn how to select a market research firm, and you establish how you will distribute your product: either through an agent, a

distributor, or both. Information on written contracts is provided to aid decision making. Finally, the concept of an export management company is explored, and whether one is needed or not is determined through role-playing.

Year Four: The Global Marketplace

Year Four concentrates on information about traveling abroad and the development of a market plan. Specifically, tips on making good travel plans is presented, as well as background information on some of the cultures that may be encountered. Also, data concerning foreign currency and various exchange rates is provided, and regarding potential foreign exchange loss due to inflation and the devaluation of the U.S. dollar. In addition, the balance between keeping planning current and dynamic, while identifying and evaluating future foreign markets to increase market share and profit is introduced.

Year Five: Strategic Thinking

The emphasis in Year Five is strategy, both company and global. Issues of adapting and developing products to bolster Xebec's global position arise as well as tracking trends (e.g. EEC issues, important legislation), and global thinking to cultivate global strategies is presented.

CONCLUSION

The above discussion presents the computer simulation *Export to Win!*, and it's principal components, as well as a short discussion of the advantages of using computer simulations in the classroom or managerial environment. The authors have employed *Export to Win!* on a limited basis to Lithuanian and Soviet managers, as well as American students with a large measure of acceptance, and general success. Overall, though our experience is somewhat limited, the students and managers who have interacted with *Export to Win!* have found it to be educational, interesting, and fun.

A goal for us this next year is to attempt to integrate this simulation into the Export/Import marketing course that is offered each year at California State University, Fullerton (pending budget constraints), and to report the level of success regarding integration and acceptance, as well as some general output measures.

Table 1

Topics Covered by World Atlas

Geography	People	Economy	Government
Total Area	Population	GDP/GNP	Official Name
Comparative Area	Nationality	Inflation Rate	Type
Land Boundaries	Ethnic Divisions	Natural Resources	Capital
Coastline	Religions	Agriculture	Admin. Division
Climate	Language	Fishing	National Holidays
Terrain	Infant Mortality	Major Industries	Government Leaders
Land Use	Life Expectancy	Electricity	Suffrage
Environment	Literacy	Exports/Imports	Military Budget
Special Notes	Labor Force	Currency Conversion	

Communication	Travel	Defense Forces	Order Information
Railroads	Required Documents	Branches	The Software Toolworks
Highways	Healthy	Military Manpower	60 Leveroni Court
Inland Waterways	Weather & Clothing	Military Budget	Novato, CA 94949
Pipelines	Telephone		(415) 883-3000
Ports	Time		(415) 883-3303 - Fax
Civil Aircraft	Electric Current		
Airfields	Tourist Attractions		
Telecommunications			

One other software package that warrants mentioning is *World Atlas*. This is an excellent stand-alone package, as well as an excellent ancillary resource to be used in conjunction with *Export to Win!* or in any other international course. The types of information provided by *World Atlas* are presented in Table 1. In addition, it provides a map of every country of the world, which can be printed on most dot matrix or laser printers.

REFERENCES

Adams, Dennis M. (1973). **Simulation Games: An Approach to Learning.** Worthington, OH: Charles A. Jones Publishing Company.

Kirkland, Richard I. Jr. (1988), "Entering a New Age of Boundless Competition," *Fortune*, (March 14), p. 40.

Maidment, Robert and Russell H. Bronstein (1973). **Simulation Games: Design and Implementation.** Columbus, OH: Charles E. Merrill Publishing Company.

PRODUCTS DISCUSSED

Export to Win!
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World Atlas
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